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LISTING STATEMENT NO. 2373.

LISTED JUNE 12, 1969

1,634,966 Shares without par value of which 226,500 Shares are subject to issuance.

Stock Symbol "INT".

Post Section 9.4.

Dial Quotation No. 2196.

## THE TORONTO STOCK EXCHANGE

### LISTING STATEMENT

## INTERMETCO LIMITED

Continued under the Laws of the Province of Ontario  
by Letters Patent dated November 1, 1968

COMMON SHARES WITHOUT PAR VALUE  
(Transferable in Toronto)

CAPITALIZATION AS AT MAY 1, 1969

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Shares Without Par Value	3,000,000	1,408,466 (1)	1,634,966 (1)
LONG TERM DEBT (3)			
7½ % Loan due May 23, 1972	—	\$ 38,000	None
Conventional Mortgages payable	—	\$1,701,072	None
7½ % Convertible Sinking Fund Debentures Series A	—	\$1,500,000 (2)	None

Note:

1. There are outstanding options granted to employees of the Company and its subsidiary companies on 24,000 shares without par value at \$5.50 per share which expire not later than March 15, 1974. Any shares issued pursuant to such options are not included.

The 7½ % Convertible Sinking Fund Debentures Series A are convertible at the holders option at any time prior to the close of business on April 28, 1984 or on the 3rd business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid shares without par value in the capital of the Company, as constituted on May 1, 1984 at the rate of 135 shares per \$1,000 principal amount of 7½ % Convertible Sinking Fund Debentures Series A if converted on or before April 28, 1974 and thereafter at the rate of 100 shares per \$1,000 principal amount of 7½ % Convertible Sinking Fund Debentures Series A if converted on or before April 28, 1984.

2. The 7½ % Convertible Sinking Fund Debentures Series A mature on May 1, 1984. The Company has covenanted to establish a sinking fund to provide for the retirement of \$150,000 principal amount of 7½ % Convertible Sinking Fund Debentures Series A on May 1 in each of the years 1975 to 1983 inclusive.
3. For additional particulars see page 7 of the attached Prospectus.

May 15, 1969

#### 1. APPLICATION

INTERMETCO LIMITED (hereinafter called the "Company") makes application for listing on The Toronto Stock Exchange of 1,634,966 shares without par value (hereinafter called the "Shares") of which 1,408,466 Shares (excluding any shares issued after April 14, 1969 pursuant to subscription rights or options granted prior to that date) are issued and outstanding as fully paid and non-assessable.



2.

## REFERENCE TO PROSPECTUS

Reference is made to the attached Prospectus issued by the Company under date of April 14, 1969 with respect to the offering of \$1,500,000 principal amount of 7½ % Convertible Sinking Fund Debentures Series A and 252,000 Shares without par value, a copy of which Prospectus is hereby incorporated in this application and made part thereof.

3.

## INCORPORATION

The Company is a corporation continued under The Corporations Act (Ontario) by letters patent of amalgamation dated November 1, 1968 confirming the amalgamation agreement dated October 24, 1968 made between International Iron & Metal Co., Limited, International Machinery Company Limited, Vincent Metal Industries Limited, Weld-O-Matic Machines Limited, Marvin Investors Limited, International Secondary Materials Limited, International Iron Processors Limited, Burland Realty and Equipment Limited, Industrial Disposal Limited and Industrial Disposal (Oshawa) Limited. Supplementary letters patent dated January 22, 1969 have been issued to the Company subdividing the 829,232 issued shares of the Company into 1,036,540 issued shares on a 5 for 4 basis and the 1,170,768 unissued shares of the Company into 1,963,460 unissued shares as a result of which the authorized capital of the Company now consists of 3,000,000 shares without par value.

4.

## SHARES ISSUED

<u>Date of Issue</u>	<u>Number of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Realized</u>	<u>Purpose of Issue</u>
November 1, 1968	829,232 (1)	—	—	Amalgamation
February 24, 1969	76,471	\$5.50	\$420,590.50	To cancel indebtedness
May 1, 1969	152,000	\$5.50	\$836,000.00 (2)	Issued for cash
May 1, 1969	143,455	\$5.50	\$789,002.50	To acquire assets

Note:

1. By supplementary letters patent dated January 22, 1969 the 829,232 shares were subdivided into 1,036,540 shares.
2. The Company paid a commission of 50¢ per share.

5.

## OPINION OF COUNSEL

Messrs. Fraser & Beatty, 320 Bay Street, Toronto 116, Ontario, Counsel for the Company, are filing in support of this application an opinion stating, among other things, that (i) the Company is duly continued by letters patent of amalgamation and is a valid and subsisting corporation in good standing under the laws of the Province of Ontario and (ii) the authorized capital of the Company consists of 3,000,000 shares without par value of which 1,408,466 shares (excluding any shares issued after April 14, 1969 pursuant to subscription rights or options granted prior to that date) have been issued and are outstanding as fully paid and non-assessable.

6.

## LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other stock exchange.

7.

## STATUS UNDER THE SECURITIES ACT, 1966 (ONTARIO)

The offering of the \$1,500,000 principal amount of 7½ % Convertible Sinking Fund Debentures Series A due May 1, 1984 and 252,000 common shares without par value of the Company were qualified for sale to the public on April 16, 1969.

8.

## FISCAL YEAR

The fiscal year of the Company ends on October 31 in each year.

9.

## ANNUAL MEETING

The By-laws of the Company provide that the annual meeting of shareholders shall be held at any place within Ontario on such day in each year as the directors may determine from time to time.

10.

## HEAD OFFICE

The head office of the Company is located at 73 Robert Street, Hamilton, Ontario.

Dated April 14, 1969

# **\$1,500,000**

## **INTERMETCO LIMITED**

(Continued Under the Laws of Ontario)

### **7½% Convertible Sinking Fund Debentures Series A**

To be dated May 1, 1969.

To mature May 1, 1984.

The 7½% Convertible Sinking Fund Debentures Series A (the "Series A Debentures") will be redeemable at any time prior to maturity and will be secured by a floating charge subject to certain prior security. Further particulars of the right of redemption and of the sinking fund, which commences on May 1, 1974, are set out on pages 9 and 12.

**Trustee: Montreal Trust Company**

#### **Conversion Privilege**

The Series A Debentures will be convertible at the option of the holder at any time prior to the close of business on April 28, 1984 or on the third business day immediately preceding the date fixed for redemption of the Series A Debentures, whichever is earlier, into fully paid shares without par value in the capital of the Company, as constituted at the date hereof, on the following basis:

at the rate of 135 shares per \$1,000 principal amount of Series A Debentures (being at the price of approximately \$7.41 per share) if converted on or before April 28, 1974; and thereafter at the rate of 100 shares per \$1,000 principal amount of Series A Debentures (being at the price of \$10.00 per share) if converted on or before April 28, 1984.

Particulars concerning the conversion privilege are more fully set out on page 9 of this prospectus.

We, as principals, offer these 7½% Series A Debentures if, as and when issued by the Company and accepted by us, subject to prior sale and subject to the approval of all legal matters on our behalf by Messrs. Davies, Ward & Beck, Toronto, and on behalf of the Company by Messrs. Fraser & Beatty, Toronto.


	Price to public (1)	Underwriting discount	Proceeds to Company (1) (2)
Per Unit . . . . .	\$1,000	\$40	\$960
Total . . . . .	\$1,500,000	\$60,000	\$1,440,000

(1) Plus accrued interest if any to the date of delivery.

(2) Before deducting expenses of issue, estimated at \$35,000.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Series A Debentures in definitive form will be available for delivery on or about May 1, 1969.





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*No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. These securities are offered by this prospectus only in the Province of Ontario.*

Dated April 14, 1969

# INTERMETCO LIMITED

(Continued Under the Laws of Ontario)

## 252,000 Shares

(Without par value)

Of the 252,000 shares offered hereby 100,000 are outstanding shares being purchased from existing shareholders of the Company named on page 15 hereof under the heading "Principal Holders of Securities". Accordingly, no part of the purchase price for such 100,000 shares will be received by the Company.

There is at present no market for the shares offered by this prospectus and the price was determined by negotiation between the Underwriter, the Company and the selling shareholders.

An application has been made to list the Shares of the Company on The Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of required documents and evidence of satisfactory distribution both within ninety days.

### Transfer Agent and Registrar

The Royal Trust Company

**Price: \$5.50 per share**

	Price to Public	Underwriting Commission	Proceeds to Selling Shareholders	Proceeds to Company
Per Share . . . . .	\$5.50	\$0.50	\$5.00	\$5.00
Total . . . . .	\$1,386,000	\$126,000	\$500,000	\$760,000 (1)

(1) before deducting expenses estimated not to exceed \$15,000 which are payable as to approximately \$6,000 by the selling shareholders and as to approximately \$9,000 by the Company.

We as principals offer these shares subject to prior sale, if, as and when received and accepted by us and subject to approval of all legal matters. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates will be available for delivery on or about May 1, 1969.



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## **THE COMPANY**

Intermetco Limited (the "Company") is the largest broker and processor of scrap metal in Canada. It is engaged as principal and agent in the purchase and sale of ferrous and non-ferrous materials in the international market. The Company together with its subsidiaries wholesales new and used machinery, distributes prime and secondary pipe, develops industrial real estate and disposes of industrial refuse. Upon the completion of this financing the Company will acquire Samteit Store Fixtures and Refrigeration Limited as a wholly owned subsidiary (see page 6) which manufactures a wide variety of commercial refrigeration equipment and related products.

The Company is a corporation continued under The Corporations Act (Ontario) by letters patent of amalgamation dated November 1, 1968 confirming the amalgamation agreement dated October 24, 1968 made between International Iron & Metal Co., Limited, International Machinery Company Limited, Vincent Metal Industries Limited, Weld-O-Matic Machines Limited, Marvin Investors Limited, International Secondary Materials Limited, International Iron Processors Limited, Burland Realty and Equipment Limited, Industrial Disposal Limited and Industrial Disposal (Oshawa) Limited. Supplementary letters patent dated January 22, 1969 have been issued to the Company subdividing the 829,232 issued shares of the Company into 1,036,540 issued shares on a 5 for 4 basis and the 1,170,768 unissued shares of the Company into 1,963,460 unissued shares as a result of which the authorized capital of the Company now consists of 3,000,000 shares without par value.

The Company has its head and principal office at 73 Robert Street, Hamilton, Ontario.

### **Subsidiaries**

The following are wholly owned subsidiaries of the Company: Cappco Pipe Piling Limited, Compressed Metals Limited, International Machinery (Quebec) Limited and Iron & Metal Incorporated. In describing the business of the Company, the word "Company" is sometimes used to include these subsidiaries.

### **History**

At the turn of the century the late Mr. Jacob N. Goldblatt and the late Mr. Louis F. Takefman founded the Company's scrap metal business in Hamilton. Under the direction of Frank P. Goldblatt, George Goldblatt, Morley B. Goldblatt and Reuben Levy the Company grew and expanded until today it is engaged in a number of diversified enterprises in Eastern Canada.

### **Operations**

The Company has five operating divisions—scrap iron brokerage and processing; industrial real estate development; machinery wholesaling; steel pipe distribution; and disposal of industrial refuse. Upon the completion of this financing the Company will operate a manufacturing division through Samteit Store Fixtures and Refrigeration Limited.

### **Scrap Iron Brokerage and Processing Division**

The scrap iron brokerage and processing business carried on by this division is the main business operation of the Company. The Company's scrap processing yard in Hamilton which is considered to be one of the most efficient and modern in Canada employs the latest in scrap processing equipment, a large fleet of mobile units and containerization equipment.

### **Industrial Real Estate Development Division**

In 1953 the Company purchased a 27 acre site fronting on Parkdale Avenue North in the east end of Hamilton. Subsequently, the Company erected on this site 12 buildings covering a total of 320,000 square feet. These are modern, well constructed buildings used for industrial and commercial purposes, with adequate parking facilities. The Company occupies 4 of these buildings: a warehouse and office for its machinery division, an office and garage for its disposal division and an office, garage and warehouse for its scrap division. The remaining buildings are leased to 10 tenants manufacturing a diversified range of products, such as industrial doors, paper boxes, footwear, overhead cranes and steel containers, on 5, 10 and 15 year leases.

The Company has recently acquired a 5 acre tract of land on Highway 20 and Barton Street in the City of Hamilton. At present 25,000 square feet of warehouse space are being erected on 1 acre of this land and will be leased upon completion. Future development is anticipated on the remaining 4 acres.



## **Machinery Division**

The Machinery Division was formed in 1929 for the purpose of buying and selling new and used machine tools, stamping and fabricating equipment and other allied machinery. This Division has been developed into a nation-wide business with authorized dealers throughout Canada. It is also engaged in the export and import of new and used machinery in the international market. The Division offers specialized services in the leasing, financing and disposal of used industrial equipment. The principal offices and warehouse of the Division are located in Hamilton and a branch office and warehouse are operated by International Machinery (Quebec) Limited in greater Montreal.

## **Steel Pipe Division**

For approximately 25 years the Company has distributed structural grade tubular products produced by pipe mills of, what was formerly Page-Hersey Tubes and now, a division of The Steel Company of Canada Limited.

In 1967, Cappco Pipe Piling Limited was formed as a wholly owned subsidiary of the Company to market a complete range of prime pipe piling on an exclusive basis for The Steel Company of Canada Limited.

## **Disposal Division—Refuse**

The disposal division operating with approximately 24 modern mechanized compaction units collects and disposes of commercial and industrial refuse in the Hamilton and Oshawa areas. The Company owns a 30 acre dump site north east of Oshawa and uses the city dump in Hamilton.

## **Manufacturing Division**

### **SAMTEIT STORE FIXTURES AND REFRIGERATION LIMITED**

Samteit Store Fixtures and Refrigeration Limited has carried on business since 1960 under the name of General Refrigeration of Canada ("General"). General's office and factory is presently located in a modern plant occupying 78,000 square feet at 124 Norfinch Drive, Downsview, Ontario.

General is mainly engaged in the manufacture and distribution of a wide variety of commercial refrigeration equipment for retail food stores, restaurants, hotels, hospitals and other institutions. Also it manufactures: metal display shelving for stores; custom made stainless steel medicine cabinets for institutions (with built-in dispensers); metal racks for stacking condensing units; metal arms for store fixturing and up-rights; special arborite and glass display fixtures, both refrigerated and non-refrigerated; and custom-made sliding glass door units.

A new division of General, operating under the name of General Environmental and Scientific of Canada, was established in 1968 for the purpose of manufacturing and distributing temperature-controlled laboratory equipment such as constant temperature rooms, blood banks, incubators and cabinets for biological and laboratory specimens and pharmaceuticals.

New products under development by General include refrigerated ice cream display merchandisers and multi-tiered frozen food merchandisers.

The distribution of General's products across Canada is accomplished through wholesalers supplemented by General's direct sales organization.

## **Property**

The Company and subsidiaries own the land and buildings described under "Industrial Real Estate Development Division".

The Company also owns its head office at 73 Robert Street in Hamilton and an office at 75 Robert Street which is leased to Parkdale Steel Warehouse Corporation Limited.

In addition, the Company owns 2 buildings in downtown Hamilton at 58 and 62 King Street East, which buildings contain approximately 20,000 square feet of commercial space which are leased to tenants on long-term leases.

Compressed Metals Limited owns the lands and buildings in Toronto at which a branch of the scrap division is operated. The Company owns 70 acres of land north east of Oshawa of which 30 acres are used as a dump site by its disposal division and owns lands and buildings in Guelph which are leased to a scrap operator in that area.

International Machinery (Quebec) Limited leases office premises at 2240 43rd Avenue, Lachine, Quebec. Iron & Metal Incorporated leases office premises at 5565 Queen Mary Road, Montreal.

The lands and buildings located in the City of Hamilton with the exception of those at 73 and 75



Robert Street are subject to conventional mortgages, particulars of which are set out in note 5 to the notes to the Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet on page 27.

An appraisal made as of July 1, 1968 of the land and buildings of Burland Realty & Equipment Limited, one of the amalgamating companies, was made by Albert A. Takefman for the purpose of ascertaining a basis for the amalgamation referred to under the heading "The Company" on page 5.

## Personnel

As at January 1, 1969 the Company employed 325 people, of whom 114 were covered by collective bargaining units with three labour unions (these figures include the employees of Samteit Store Fixtures and Refrigeration Limited). The Company's relations with its employees have been satisfactory.

## USE OF PROCEEDS

The net proceeds, amounting to \$760,000, from the sale of the 152,000 shares purchased by F. H. Deacon & Company Limited from the Company and offered by this prospectus will be used by the Company as to approximately \$750,000 as the cash consideration to acquire all the outstanding shares of Samteit Store Fixtures and Refrigeration Limited pursuant to the Samteit agreement described on page 8; as to \$9,000 to pay the expenses in connection with the issue of such 152,000 shares; and as to the balance of \$1,000 to reduce bank indebtedness.

The net proceeds, amounting to \$1,440,000, from the sale of \$1,500,000 aggregate principal amount of Series A Debentures offered by this prospectus before deducting \$35,000 being the Company's estimated costs of the sale of the Series A Debentures offered hereby, will be used by the Company to retire a portion of the bank indebtedness of the Company.

The additional 100,000 shares of the Company offered hereby are being purchased from the shareholders of the Company and consequently no part of the proceeds from the sale of such shares will accrue to the Company.

## CAPITALIZATION

	Amount Authorized	Amount outstanding as at Nov. 1, 1968	Amount outstanding as at January 31, 1969	Amount to be outstanding on completion of financing
Bank Advances (Secured) (1) . . . . .		\$2,469,481	\$2,841,462	\$1,063,481 (estimated)
7½% Loan (2) . . . . .		\$ 43,000	\$ 40,000	\$ 38,000
Mortgages Payable (3) . . . . .		\$1,730,937	\$1,713,507	\$1,701,072
7½% Convertible Sinking Fund Debentures Series A payable (4) . . . . .				\$1,500,000
Shares without par value . . . . .	3,000,000	1,036,540(5) (\$1,914,093)	1,036,540 (\$1,914,093)	1,408,466(6) (\$3,959,686)

(1) Bank advances are secured by a general assignment of book debts.

(2) Machinery, equipment and vehicles have been pledged as security for this loan which matures May 23, 1972 and is repayable at the rate of \$12,000 annually.

(3) Fifteen mortgage loans with average interest rate of 7.91% were outstanding at November 1, 1968. As at December 15, 1968 twelve of the loans were consolidated into one loan of \$1,613,682 bearing interest at a rate of 8.6875% compounded semi-annually, with a five-year term, repayable at the rate of \$15,170 monthly, based on an amortization term of 17 years. Particulars of the other three mortgage loans are as follows:

Principal Outstanding	Interest Rate	Repayment Terms	Maturity Date
\$42,500	6.75%	\$625 principal quarterly, plus interest	May 1, 1973
\$37,200	6.75%	\$600 principal quarterly, plus interest	July 1, 1975
\$25,171	7.00%	\$638 quarterly, blended principal and interest	June 28, 1985

(4) Subject to the restrictions to be contained in the Trust Indenture additional debentures may be issued without limitation in amount. The debentures will be secured by a first floating charge on all the assets of the Company subject to certain exceptions appearing in the Trust Indenture.

(5) After subdivision of 829,232 issued shares into 1,036,540 issued shares without par value by supplementary letters patent dated January 22, 1969.

(6) After issuing 152,000 shares in accordance with the underwriting agreement dated April 2, 1969 (see Plan of Distribution on page 14 of this prospectus), after issuing 76,471 shares to Principal Holders of Securities (see "Issuance of Shares" on page 8) and after issuing 143,455 shares to Sam Teitelbaum and associates under the Samteit agreement described on page 8.



- (7) The Company and subsidiaries are obligated under certain leases (not including the lease referred to in item 2 under heading "Interest of Management in Material Contracts" on page 17) to pay aggregate minimum annual rentals as follows:

	<u>Balance Sheet</u>	<u>Pro Forma Balance Sheet</u>
1968-1984	\$1,650	\$75,400
1985-1986	\$1,650	\$40,150
1987-1988		\$38,500

### ISSUANCE OF SHARES

Pursuant to the agreement ("Samteit agreement") dated February 21, 1969 made between the Company as purchaser and Sam Teitelbaum, Ned Jackson, Frank G. Morley, Edgar W. Deffett, Frank Szabo and Aafke Jonker (sometimes referred to as "Sam Teitelbaum and associates") as vendors, the Company agreed to purchase and the vendors agreed to sell all the outstanding shares of Samteit Store Fixtures and Refrigeration Limited for a consideration of \$750,000 plus an aggregate of 143,455 shares without par value of the Company which will be issued and allotted as fully paid and non-assessable. The distribution of such consideration among Sam Teitelbaum and associates is as follows:

<u>Name</u>	<u>Cash Purchase Price</u>	<u>Number of Shares</u>
Sam Teitelbaum	\$435,000	83,204
Edgar W. Deffett	76,500	14,632
Ned Jackson	171,000	32,708
Frank G. Morley	37,500	7,173
Frank Szabo	15,000	2,869
Aafke Jonker	15,000	2,869
	<u>\$750,000</u>	<u>143,455</u>

On February 24, 1969 an aggregate of 76,471 fully paid and non-assessable shares without par value of the Company were issued at \$5.50 per share to Franklatt Investments Limited, Georgelatt Investments Limited, Molatt Investments Limited, Rulev Investments Limited, Frank P. Goldblatt, Morley B. Goldblatt, George Goldblatt and Reuben Levy. The Company's indebtedness to them aggregating \$420,607.64 was cancelled by the issue of the said 76,471 shares and the payment of \$17.14 in cash.

The total number of shares of the Company held by its shareholders as a result of the above mentioned amalgamation was, after the subdivision effected by the above mentioned supplementary letters patent, 1,036,540 shares and the amount paid up thereon was \$1,914,092.58.

### DESCRIPTION OF SHARES

The authorized capital of the Company consists of 3,000,000 shares without par value, of which 1,113,011 shares (excluding the 152,000 shares to be issued to F. H. Deacon & Company Limited (see page 14) and 143,455 shares to be issued to Sam Teitelbaum and associates) are issued and outstanding as fully paid and non-assessable. Each share without par value in the capital of the Company is entitled to one vote at all meetings of shareholders and all shares rank equally in respect of dividend rights and upon a winding-up or dissolution of the Company. The shares of the Company have no pre-emptive rights nor are they subject to further calls or assessments by the Company.

### ASSET COVERAGE

The consolidated net tangible assets of the Company (before deducting Series A Debentures) as at November 1, 1968, as shown by the accompanying pro forma Consolidated Balance Sheet on pages 24 and 25, were as follows:

Total assets . . . . .	\$13,325,276	
Less cost of re-organization, public financing and excess of cost of subsidiaries over net book value at the time of acquisition . . . . .	1,530,569	\$11,794,707
Total liabilities . . . . .	8,683,369	
Less Series A Debentures . . . . .	1,500,000	7,183,369
Consolidated net tangible assets (before deducting Series A Debentures).		<u>\$ 4,611,338</u>

These consolidated net tangible assets represent \$3,074 for each \$1,000 principal amount of Series A Debentures to be outstanding upon completion of this financing.



## INTEREST COVERAGE

Maximum annual interest requirements of the Company on the Series A Debentures will amount to \$112,500 per annum which will decrease as the sinking fund operates. In the five years and six months ended October 31, 1968, combined earnings of the companies amalgamated to form the Company and their subsidiaries after deducting depreciation and interest on long term debt but before provision for income taxes and excluding income from investments, averaged \$809,243 per annum. For the 18 months ended October 31, 1968, such earnings averaged \$901,637 per annum. The above amounts represent more than 7.19 times and 8.01 times, respectively, the maximum annual interest requirements on the Series A Debentures. These figures do not include earnings from Samteit Store Fixtures and Refrigeration Limited.

### The Debentures

#### SERIES A DEBENTURES

The \$1,500,000 aggregate principal amount of 7½% Convertible Sinking Fund Debentures Series A ("Series A Debentures") now proposed to be issued are to be direct obligations of the Company and are to be issued under a trust indenture (the "Trust Indenture") to be dated as of April 1, 1969 and to be entered into between the Company and Montreal Trust Company as trustee (the "Trustee"). The Series A Debentures are to be issued as coupon debentures in denominations of \$1,000 and as fully registered debentures in denominations of \$1,000 and authorized multiples of \$1,000, are to be secured by a first floating charge under the laws of the Province of Ontario on the undertaking and all the property and assets of the Company in such Province subject to an exception as to the last day of any term of any lease or agreement therefor and subject to the first fixed and specific mortgages charging certain real and immoveable property and fixed assets now owned, and subject to existing bank indebtedness. The Trust Indenture will not require registration of the floating charge against real and immoveable properties owned by the Company or in which it has an interest and the consent to the said floating charge by the various mortgagees of such properties will not be obtained. Accordingly, the said floating charge, in so far as it relates to such properties, will be subject to any interests hereafter acquired by third parties in respect of such properties which, by reason of non-registration, may rank prior to such floating charge and to the rights, if any, of such mortgagees.

### Prior & Pari Passu Securities

Except as set out below the Company has no bonds, debentures or other securities outstanding or proposed to be issued which rank ahead of or pari passu with or which, if issued, will rank ahead of or pari passu with the Series A Debentures and shares offered by this prospectus:

- A. Mortgages on certain real estate, machinery and equipment owned by the Company on which there is now outstanding approximately \$1,749,240 in the aggregate with interest rates varying from 6.75% to 8.6875%.
- B. Bank advances secured by a general assignment of book debts.
- C. The Series A Debentures to be secured by a first floating charge on the undertaking and all the property and assets of the Company will rank subsequent to the foregoing indebtedness and any indebtedness which is specifically secured including permitted mortgages (as to be defined in the Trust Indenture) and secured bank borrowings on other than real or immovable properties, plant, machinery, equipment and shares of subsidiaries and will rank subsequent to all debt of subsidiaries.
- D. The 1,408,466 shares without par value of the Company to be outstanding on completion of this financing together with any further shares issued by the Company will rank pari passu with the shares without par value of the Company to be issued upon exercise of the conversion privilege attached to the Series A Debentures.

### Redemption

The Company shall have the right at its option at any time and from time to time to redeem before maturity all or any of the outstanding Series A Debentures on not less than thirty days' notice at 107% of the principal amount of the Series A Debentures if redeemed on or before May 1, 1970 and reducing ½ of 1% in each year commenced or elapsed thereafter together in each case with interest on the principal amount of the Series A Debentures to be redeemed, accrued and unpaid to the date specified for redemption.

### Conversion Privilege

The Series A Debentures will be convertible, at the option of the holder, at any time prior to the close of business on April 28, 1984 or on the third business day immediately preceding the date fixed for redemption of the Series A Debentures, whichever is earlier, into fully paid and non-assessable shares without par value of the Company, as constituted at the date hereof, on the following bases:

at the rate of 135 shares per \$1,000 principal amount of Series A Debentures (being at the price of approximately \$7.41 per share) if converted on or before April 28, 1974; and thereafter at the rate of 100 shares per \$1,000 principal amount of Series A Debentures (being at the price of \$10.00 per share) if converted on or before April 28, 1984.

Upon any conversion no allowance will be made for accrued interest (if any) on the Series A Debentures to the date of conversion or for dividends on shares issuable upon the conversion, but shares of the Company received upon the conversion of Series A Debentures converted prior to the record date for payment of any dividend on such shares will qualify for such dividend. The Trust Indenture will provide that in the event of (a) any reduction in the number of shares of the Company outstanding due to consolidation thereof or (b) any increase in the number of such shares outstanding, due to subdivision thereof or to any stock dividend on such shares, an appropriate adjustment shall be made in the number of shares issuable subsequent to any such change in the number of outstanding shares become effective. The Trust Indenture will provide that the Company shall notify holders of Series A Debentures of any dividend payable in shares of the Company or of any rights to be granted to holders of shares generally to subscribe for securities of the Company.

### **Additional Debentures**

The Trust Indenture will contain provisions permitting the issuance from time to time of additional debentures ("Additional Debentures") thereunder without limitation as to aggregate principal amount and having such attributes (including conversion rights, if any) as may be determined by the Company prior to the issue thereof. The Series A Debentures and any Additional Debentures will rank equally and rateably except as to sinking fund provisions applicable to different issues and the principal, premium (if any) and interest of and on such Additional Debentures may be payable in such currency or currencies as may be determined by the Company at the time of the issue thereof.

### **Special Covenants**

The Trust Indenture will provide, among other things, that so long as any of the Series A Debentures remain outstanding;

A. Neither the Company nor any subsidiary will mortgage, hypothecate, charge, pledge or otherwise encumber any of its assets (except by virtue of a Permitted Mortgage) to secure any moneys, debts, liabilities, bonds, debentures, notes or other obligations other than the Debentures.

B. The Company will not issue any Additional Debentures unless the consolidated net tangible assets of the Company and its subsidiaries as at a date not more than 120 days prior to the date of such issue shall have been equal to at least the principal amount of all Series A Debentures and Additional Debentures of the Company to be outstanding immediately after such issue. Provided that, for all purposes of the Trust Indenture, any Series A Debentures or Additional Debentures outstanding at the time of any such issue which are to be retired within one month following such time and all moneys required to retire which Debentures are paid to the Trustee at such time or the payment of which moneys is provided for to the satisfaction of the Trustee at such time shall be deemed not to be outstanding immediately after such issue.

C. No Additional Debentures of the Company will be issued hereunder or otherwise having a maturity date prior to May 1, 1984 other than Debentures or other obligations maturing serially.

D. The Company will not

(i) declare or pay any dividends on any of its shares at any time outstanding; or

(ii) redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding (except out of the proceeds of an issue of shares made at any time after June 1, 1969 and prior to or contemporaneously with any such redemption, reduction, purchase or payment); or

(iii) elect to pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act (Revised Statutes of Canada 1952, Chapter 148) as now enacted or as the same may from time to time be amended or re-enacted or elect to pay any tax under any similar provisions

unless immediately after giving effect to such action the aggregate amount

(a) declared or paid subsequent to October 31, 1968 as dividends (other than in shares of the Company) on all shares of all classes of the Company; and

(b) distributed and/or paid (on redemption, reduction, purchase or other payment off) subsequent to October 31, 1968, in respect of all shares of all classes of the Company; and



(c) elected to be paid as tax as mentioned in subdivision (iii) immediately preceding will not be more than the aggregate of (i) the consolidated net earnings available for dividends of the Company and its subsidiaries subsequent to October 31, 1968, (ii) the net cash proceeds to the Company of the issue after June 1, 1969 of any of its shares (other than shares issued upon the conversion of Series A Debentures) and (iii) \$100,000.

E. The aggregate amount payable by way of serial maturities and/or mandatory sinking fund payments (which in the case of a sinking fund payment to retire a specified principal amount shall for the purposes of this Clause E be deemed to be the principal amount so to be retired) in any year in respect of the funded obligations of any issue of the Company shall not be proportionately greater to the aggregate principal amount issued of the funded obligations of such issue than the proportion which \$150,000 bears to the aggregate principal amount of the Series A Debentures then outstanding, unless the annual sinking fund payments in respect of the Series A Debentures are increased proportionately.

F. The Company will not sell or otherwise dispose of any funded obligations or shares of any subsidiary nor will the Company permit any subsidiary to issue, sell or otherwise dispose of or to become liable on (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) any funded obligations or shares of such subsidiary or of any other subsidiary provided that this Clause F shall not apply to nor operate to prevent any subsidiary entering into or assuming or becoming liable on any permitted mortgage.

G. The Company will not sell or otherwise dispose of, and will not permit any subsidiary to sell or otherwise dispose of (except to the Company or to a subsidiary of which such subsidiary is a subsidiary), by conveyance, transfer, lease or otherwise the assets and undertaking of the Company or of any subsidiary, as the case may be, as an entirety or substantially as an entirety, provided that this Clause G shall not apply to nor operate to prevent any subsidiary entering into or assuming or becoming liable on any purchase money mortgage.

### Exceptions

The foregoing Clauses A to G inclusive and the floating charge hereby created shall not apply to nor operate to prevent and there shall be permitted:

- (i) the extension, renewal or refunding by the Company or a subsidiary of any funded obligations of the Company or such subsidiary to the extent of the principal amount of such funded obligations at the time of such extension, renewal or refunding provided that such last mentioned funded obligations were funded obligations of the subsidiary at the time when such subsidiary became a subsidiary or, in the case of the present subsidiaries, were outstanding on March 1, 1969; or
- (ii) the extension, renewal or refunding by the Company or any subsidiary of any purchase money mortgage, provided that such extension, renewal or refunding is limited to the principal amount secured by and owing under such purchase money mortgage at the time of such extension, renewal or refunding and that no further property is encumbered upon such extension, renewal or refunding; or
- (iii) the amalgamation of any subsidiary of the Company with any other subsidiary or subsidiaries of the Company; or
- (iv) the sale by the Company or any subsidiary or subsidiaries of funded obligations or shares of any subsidiary (hereinafter called the "sold company") if such sale or sales is or are of all the funded obligations and shares of the sold company then owned or held by the Company and its subsidiaries or the sale by any subsidiary of its assets and undertaking as an entirety or substantially as an entirety provided that in the case of each such sale the consideration therefor represents the fair value (as determined in good faith by express resolution of the board of directors of the Company) at the time of such sale and further provided that the assets of such subsidiary do not constitute a substantial part of the consolidated assets of the Company and all subsidiaries and provided further that, at the time of such sale, such subsidiary shall not own, directly or indirectly, any debt of the Company or any shares or debt of any other subsidiary (unless all of the shares and debt of such other subsidiary owned, directly or indirectly, by the Company and all subsidiaries are simultaneously being sold as permitted under this paragraph (iv)); or
- (v) the giving of security or securities (except on real or immovable properties, plant, machinery, equipment and shares of subsidiaries) by the Company or any subsidiary to any bank or banks

or to any other lending institutions for present or future debts or liabilities of the Company or such subsidiary to such bank or banks or lending institution or institutions; or

- (vi) (a) the deposit of cash or obligations of the Government of Canada in connection with contracts or tenders in the ordinary course of business or to secure workmen's compensation, surety or appeal bonds, costs of litigation when required by law and public and statutory obligations; or (b) liens or claims incident to current construction, mechanics', warehousemen's, carriers' and other similar liens; or (c) the incurring of obligations under forward commitments of purchase relating to current operations or under any lease entered into in the ordinary course of business or any guarantee of such obligations given in the ordinary course of business; or
- (vii) the Company (until the security constituted hereby shall have become enforceable and the Trustee shall have determined or become bound to enforce the same) from pledging, selling, alienating, leasing, assigning, mortgaging, hypothecating, charging or otherwise disposing of or dealing with the subject matters of such floating charge in the ordinary course of its business and for the purpose of carrying on the same provided that any such action is not in breach of any express provision hereof.

### **Sinking Fund**

Under the Trust Indenture the Company will covenant to establish a sinking fund to provide for the retirement of \$150,000 principal amount of the Series A Debentures on May 1 in each of the years 1975 to 1983 inclusive. Such sinking fund and the retirement of a further \$150,000 principal amount of Series A Debentures at maturity will provide for the retirement of the Series A Debentures in full.

The Company is to be entitled to purchase Series A Debentures in the market or by private contract at prices not exceeding the redemption price current at the time of purchase in respect of Series A Debentures redeemed otherwise than out of sinking fund moneys plus accrued interest and costs of purchase. All Series A Debentures purchased or redeemed and all Series A Debentures converted into shares (except Series A Debentures purchased or redeemed out of sinking fund moneys and Series A Debentures converted into shares after having been called for redemption out of sinking fund moneys) shall, notwithstanding the cancellation thereof, be available to the Company as a sinking fund credit which at the election of the Company may be applied (to the extent not theretofore applied) in denominations of \$1,000 and multiples thereof in satisfaction in whole or in part of required sinking fund payments payable thereafter. The Company is to have the right to elect on or before February 28 in each of the years 1975 to 1983 inclusive to apply a specified principal amount of Series A Debentures forming such credit in satisfaction in whole or in part of the sinking fund payment required to be made prior to May 1 of such year and the Company will be required to pay into such sinking fund prior to April 30 of such year the sum in cash required to retire on that date \$150,000 principal amount of Series A Debentures less a principal amount of Series A Debentures equal to the principal amount of such Series A Debentures so applied. Such cash paid to the Trustee is to be applied in the retirement of Series A Debentures called for redemption on May 1 of such year at the principal amount thereof together with accrued interest to the date specified for redemption, provided that such call need not be made if the moneys in the sinking fund and required to be paid into the sinking fund are less than \$10,000 and in such case such moneys may be used by the Trustee in purchasing for cancellation Series A Debentures at a price not exceeding the redemption price current at the time of purchase in respect of Series A Debentures redeemed otherwise than out of sinking fund moneys plus accrued interest and costs of purchase. The Company is to covenant and agree in the Trust Indenture to pay to the Trustee on demand its cost of giving notice of redemption of Series A Debentures out of sinking fund moneys and any other expenses in connection therewith. Forthwith after the date specified for redemption of Series A Debentures out of sinking fund moneys the Trustee shall pay and return to the Company as not required for the purposes of such sinking fund a sum equal to the aggregate principal amount of Series A Debentures so called for redemption but converted into shares and accordingly not redeemed.

The Trust Indenture will provide that Series A Debentures redeemed or purchased are to be cancelled and not reissued.

### **Definitions**

The Trust Indenture will contain definitions of the following terms, among others, substantially to the following effect:



(a) “funded obligations” means any indebtedness the principal amount of which by its terms is not payable on demand and matures more than eighteen (18) months after the date of the creation or issuance thereof and any liability (contingent or otherwise) in respect of any guarantee by the Company or any subsidiary of any such indebtedness of any person, firm or corporation;

(b) “consolidated net earnings available for dividends” of the Company and its subsidiaries means all the gross earnings and income of the Company and all its subsidiaries from all sources less all administrative, selling and operating charges and expenses of every character of the Company and all its subsidiaries including taxes on income and interest on funded obligations (but excluding gains or losses on the disposal of investments and fixed assets) arrived at on a consolidated basis in accordance with generally accepted accounting practice; without limiting the generality of the foregoing, operating charges and expenses shall include insurance, maintenance, repairs, renewals (except such expenditures for renewals as are chargeable to capital account in accordance with generally accepted accounting practice), rentals, licences, taxes (other than taxes on income), interest (other than interest on funded obligations), such provisions or allowances for bad and doubtful debts as the directors in their discretion, with the approval of the Company's auditors, may determine and, in addition to actual expenditures for maintenance, reasonable allowances for depreciation; in determining consolidated net earnings interest charges which will be eliminated or reduced by reason of the issuance of funded obligations shall be disregarded or adjusted, as the case may be; provided that the net earnings, of any subsidiary for the purpose of this definition shall only include such part of the net earnings and income of such subsidiary calculated as aforesaid as under generally accepted accounting practice is applicable to those shares of such subsidiary which are held by the Company or any other subsidiary; provided that the earnings or losses of any subsidiary shall only be included from the date when such subsidiary became a subsidiary of the Company (provided that the auditors of the Company shall determine the earnings or losses of any subsidiary for the period from the date when such subsidiary became a subsidiary of the Company to the end of the fiscal year of such subsidiary during which it became a subsidiary of the Company); provided that the earnings and losses of Samteit Store Fixtures and Refrigeration Limited are to be included from September 30, 1968;

(c) “consolidated net tangible assets” of the Company and its subsidiaries means the excess of the total of the tangible assets over the total of the liabilities of the Company and all its subsidiaries arrived at on a consolidated basis in accordance with generally accepted accounting practice; provided always that in calculating consolidated net tangible assets due allowance shall be made for the minority interest (if any) in any subsidiary;

(d) “subsidiary company” or “subsidiary” means any corporation or company of which more than 50% of the outstanding shares carrying voting rights at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the board of directors of such corporation or company) are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary;

(e) “purchase money mortgage” means any mortgage, hypothec, charge, vendors' privilege, vendors' lien, or other encumbrance upon property, given or assumed or arising by operation of law, to provide or secure the whole or any part of the consideration for the acquisition of such property and includes renewals, refundings and extensions not in excess of the principal amount thereof immediately prior to such renewal, refunding or extension;

(f) “permitted mortgages” shall mean indebtedness assumed or incurred by the Company or any subsidiary and secured by a mortgage, hypothec, charge, vendors' lien or other encumbrance of or on real and immovable property acquired or leased and buildings and improvements erected thereon in each case up to but not exceeding 85% of the cost of such real and immovable property to the Company or any subsidiary and any extension or renewal thereof provided that the principal amount thereof outstanding at the date of such extension or renewal and secured thereby is not increased and shall include purchase money mortgages.

### **Modification of the Trust Indenture**

The rights of a Series A Debenture holder under the Trust Indenture and indentures supplemental thereto may be modified. For that purpose, among others, the Trust Indenture will contain provisions for the holding of meetings of Series A Debenture holders and for rendering resolutions passed at such meetings and instruments in writing signed by the holders of a specified percentage of the Series A Debentures binding upon all holders of the Series A Debentures, subject to the provisions of the Trust Indenture.

## DIVIDEND RESTRICTIONS

Provisions restricting the payment of dividends are contained in the Trust Indenture under which the Series A Debentures are to be issued. The Company may not pay dividends if such payment (together with any payments made after October 31, 1968 as dividends or to redeem, reduce, purchase or otherwise pay off any of its shares or to pay tax on undistributed income) would be more than the aggregate of (a) the consolidated net earnings, to be defined in the Trust Indenture, of the Company and its subsidiaries subsequent to October 31, 1968, (b) the net cash proceeds of the issue after June 1, 1969 of any of its shares (other than shares issued on the conversion of Series A Debentures) and (c) \$100,000.

## DIRECTORS AND OFFICERS

The names, principal occupations and home addresses of the directors and officers of the Company for the previous five years are set forth below:

REUBEN LEVY.....	36 Mayfair Crescent,.....	Chairman of the Board and Director
	Hamilton, Ontario	
FRANK PHILIP GOLDBLATT.....	22 Inglewood Drive,.....	President and Director
	Hamilton, Ontario	
MORLEY BENJAMIN GOLDBLATT.....	222 Concession Street,.....	Vice-President and Director
	Apt. 609, Hamilton, Ontario	
GEORGE GOLDBLATT.....	45 Amelia Street,.....	Vice-President and Director
	Hamilton, Ontario	
MARVIN ELIJAH GOLDBLATT.....	45 St. James Place,.....	Managing Director and Director
	Hamilton, Ontario	
CECIL LEVY.....	42 Mayfair Crescent,.....	Secretary, Treasurer and Director
	Hamilton, Ontario	
SAM TEITELBAUM.....	1 Beaver Valley,.....	Director
	Downsview, Ontario	
MARVIN ZEMOR MANDELL.....	52 Timberlane Drive,.....	Director
	North York, Ontario	

The directors, with the exception of Sam Teitelbaum and Marvin Zemor Mandell, have all held senior executive positions in one or more of the amalgamating companies (see "The Company" on page 5) for the past five years. In addition Marvin E. Goldblatt is general manager and a director of Parkdale Steel Warehouse Corporation Limited and is President and a director of Parkdale International Limited. Cecil Levy is general manager of Western Co-axial Limited, Hamilton T.V. and Appliance Service Company Limited and Belfair Acceptance Limited. Sam Teitelbaum became a director of the Company in February, 1969; for the past five years Sam Teitelbaum has been President, chief executive officer and a director of Samteit Store Fixtures and Refrigeration Limited. He has also been a director and the Treasurer of General Tubes Limited. Marvin Zemor Mandell who became a director of the Company in February, 1969 is a stockbroker associated with F. H. Deacon & Company Limited.

## PLAN OF DISTRIBUTION

By the underwriting agreement dated April 2, 1969 between the Company, Franklatt Investments Limited, Georgelatt Investments Limited, Molatt Investments Limited, Rulev Investments Limited, Malcolm Goldblatt, Lawrence Goldblatt, Deborah Moses, Marvin E. Goldblatt, Abby M. Goldblatt, Sorie Rosenblatt, Cecil Levy, Labol Levy, Robert A. Levy, Morton Levy (the "Selling Shareholders") and F. H. Deacon & Company Limited, the Company and the Selling Shareholders agreed to sell 152,000 and 100,000 shares, respectively, of the Company at a selling price of \$5.50 per share, being a total of 252,000 shares, and F. H. Deacon & Company Limited agreed to purchase the said 252,000 shares against delivery of certificates representing the said shares on or about May 1, 1969. By such agreement F. H. Deacon & Company Limited agreed to offer such shares to the public at \$5.50 per share and the Company and the selling shareholders agreed to pay to F. H. Deacon & Company Limited a commission of 50¢ per share, subject to the terms and conditions set out in the said agreement. The said agreement also provides for the sale by the Company and the purchase by F. H. Deacon & Company Limited of \$1,500,000 aggregate principal amount of Series A Debentures at an aggregate price of \$1,440,000.



## REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration paid or payable by the Company to the directors and senior officers of the Company for the six months ended October 31, 1968, was \$106,541 and for the twelve months ended April 30, 1968 was \$231,165. In addition the Company paid the sum of \$8,450 for such six month period and \$13,225 for such twelve month period for administrative, accounting and bookkeeping services rendered by a company controlled by trusts for the children of a director and senior officer. During the period from November 1, 1968 to January 31, 1969 such remuneration amounted to \$61,574 and such payments to such company were \$5,600. The estimated aggregate cost to the Company for the financial period ended October 31, 1968, of all pension benefits to be paid to the directors and senior officers of the Company under the normal pension plan in the event of retirement at normal retirement age was \$830. During the period from November 1, 1968 to January 31, 1969 such pension benefits amounted to \$415. It is estimated that for the current financial year the aggregate direct remuneration payable to the directors and senior officers of the Company by the Company and its subsidiaries including Samteit Store Fixtures and Refrigeration Limited will be approximately \$275,000 plus pension contributions of approximately \$2,000.

## OPTIONS TO PURCHASE SECURITIES

The Company has granted, by option agreements dated February 14, 1969, irrevocable options to certain employees of the Company to purchase from time to time up to but not later than March 15, 1974 in the aggregate 24,000 shares of the Company at \$5.50 per share. Each of such option agreements provides in effect, among other things, that the maximum number of shares in respect of which the option may be exercised shall not exceed on a cumulative basis 1/5 of such shares in respect of which the option is granted for each year (calculated from March 15, 1969) or part year during which the option is in force; that the option is exercisable on giving the prescribed notice and payment of the subscription price of the shares in respect of which the option is exercised; that in the event of the death of the optionee when employed by the Company or a subsidiary company the legal personal representatives have certain limited rights to exercise the option; that in the event of the optionee ceasing to be employed by the Company or a subsidiary (otherwise than upon death) the option is forthwith terminated; and that in the event of subdivision, redivision, consolidation or change of shares, the number of shares in respect of which the option may be exercised is to be adjusted accordingly.

## PRINCIPAL HOLDERS OF SECURITIES

The following table lists each shareholder of the Company at April 3, 1969 and also indicates the number of shares which will be held by him on completion of the sale of the shares offered by this prospectus:

	Type of Ownership	Number of Shares owned	Percentage of Class	Number of shares to be sold	Following completion of the issue and sale of shares herein contemplated	
					Number of Shares owned	Percentage of class
Franklatt Investments Limited 73 Robert Street Hamilton, Ontario	Beneficial (1)	167,116	15.01	15,000	152,116	10.80
Georgelatt Investments Limited 73 Robert Street Hamilton, Ontario	Beneficial (1)	15,000	1.35	15,000	nil	nil
Molatt Investments Limited 73 Robert Street Hamilton, Ontario	Beneficial (1)	15,000	1.35	15,000	nil	nil
Rulev Investments Limited 73 Robert Street Hamilton, Ontario	Beneficial (1)	15,000	1.35	15,000	nil	nil

	Type of Ownership	Number of Shares owned	Percentage of Class	Number of shares to be sold	Following completion of the issue and sale of shares herein contemplated	
					Number of Shares owned	Percentage of Class
Malcolm Goldblatt 79 Amelia Street Hamilton, Ontario (owns 50% of the outstanding shares of Franklatt Investments Limited and Molatt Investments Limited)	Beneficial (1) Record (2)	56,875 122,813	5.11 11.04	10,000 nil	46,875 122,813	3.32 8.72
Lawrence Goldblatt 29 Wilmont Court Hamilton, Ontario (owns 50% of the outstanding shares of Georgelatt Investments Limited)	Beneficial (1) (3) Record (3)	5,002 123,117	.45 11.07	5,000 nil	2 123,117	.00 8.74
Deborah Moses 8 Mayfair Place Hamilton, Ontario (owns 25% of the outstanding shares of Georgelatt Investments Limited)	Beneficial (1)	89,997	8.09	5,000	84,997	6.03
James Moses 8 Mayfair Place Hamilton, Ontario (owns 25% of the outstanding shares of Georgelatt Investments Limited)	Beneficial (1)	38,122	3.43	nil	38,122	2.71
Marvin E. Goldblatt 45 St. James Place Hamilton, Ontario (owns 25% of the outstanding shares of Franklatt Investments Limited and Molatt Investments Limited)	Beneficial (1)	72,556.5	6.52	3,333	69,223.5	4.91
Abby M. Goldblatt 7 Ravenscliffe Hamilton, Ontario (owns 25% of the outstanding shares of Franklatt Investments Limited and Molatt Investments Limited)	Beneficial (1)	72,556.5	6.52	3,333	69,223.5	4.91
Sorie Rosenblatt 151 Sterling Street Hamilton, Ontario	Beneficial (1)	34,575	3.11	3,334	31,241	2.22
Cecil Levy 42 Mayfair Crescent Hamilton, Ontario (owns 25% of the outstanding shares of Rulev Investments Limited)	Beneficial (1) Beneficial (4)	64,042.5 2	} 5.75	2,500	61,544.5	4.37
Labol Levy 644 Main Street West Penthouse Apt. 1 Hamilton, Ontario (owns 25% of the outstanding shares of Rulev Investments Limited)	Beneficial (1)	64,044.5				
Robert A. Levy 18 Old Park Road Toronto, Ontario (owns 25% of the outstanding shares of Rulev Investments Limited)	Beneficial (1)	64,044.5	5.75	2,500	61,544.5	4.37
Morton Levy 121 Hunter Street West Apt. 1703 Hamilton, Ontario (owns 25% of the outstanding shares of Rulev Investments Limited)	Beneficial (1)	64,044.5	5.75	2,500	61,544.5	4.37



	Type of Ownership	Number of Shares owned	Percentage of Class	Number of shares to be sold	Following completion of the issue and sale of shares herein contemplated	
					Number of Shares owned	Percentage of Class
Frank P. Goldblatt 22 Inglewood Drive Hamilton, Ontario	Beneficial (1)	8,163	.73	nil	8,163	.58
George Goldblatt 45 Amelia Street Hamilton, Ontario	Beneficial (1)	8,163	.73	nil	8,163	.58
Morley B. Goldblatt 222 Concession Street Apt. 609 Hamilton, Ontario	Beneficial (1)	4,614	.41	nil	4,614	.33
Reuben Levy 36 Mayfair Crescent Hamilton, Ontario	Beneficial (1)	8,163	.73	nil	8,163	.58
Sam Teitelbaum 1 Beaver Valley Downsview, Ontario	—	—	—	—	83,204	5.91
Marvin Z. Mandell 52 Timberlane Drive North York, Ontario	—	—	—	—	—	—
		<u>1,113,011</u>	<u>100.00%</u>	<u>100,000</u>		

(1) Of record.

- (2) The 122,813 shares have been deposited under a Voting Trust Agreement which entitles Malcolm Goldblatt to vote such shares for a term not exceeding 21 years. The beneficial interest in the said 122,813 shares is held by Malcolm Goldblatt, Bernard Greenbaum and Martin L. Levinson as Trustees for The Malcolm Goldblatt Family Trust, the beneficiaries of which are the children of Malcolm Goldblatt.
- (3) 123,119 shares have been deposited under a Voting Trust Agreement which entitles Lawrence Goldblatt to vote such shares for a term not exceeding 21 years. The said shares are held subject to the right of Lawrence Goldblatt to pledge them. The beneficial interest in 123,117 of such shares is held by Doreen Cecile Goldblatt (wife of Lawrence Goldblatt), David Levy and Louis S. Levy as Trustees as to  $\frac{1}{8}$  for each of The Susan Lee Goldblatt Trust, The Mayta Goldblatt Trust and The Jodi Eileen Goldblatt Trust; the beneficiaries of the respective trusts being Susan Lee Goldblatt, Mayta Goldblatt and Jodi Eileen Goldblatt, children of Lawrence Goldblatt. The beneficial interest in 2 of such shares is held by Lawrence Goldblatt.
- (4) One share registered in the names of Sam Teitelbaum and Marvin Z. Mandell respectively.

The directors and senior officers of the Company as a group at April 3, 1969 beneficially owned 165,704 shares or approximately 14.8% of the class.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or senior officer of the Company, no person or company who owns of record or beneficially, directly or indirectly, more than 10% of the shares of the Company and no associate or affiliate of any of the foregoing persons or companies have or had any material interest, direct or indirect, in any transaction with the Company or its subsidiaries within the three years preceding the date hereof, or in any proposed transaction with such companies, except as follows:

- Pursuant to the Samteit agreement referred to on page 8 Sam Teitelbaum is to receive the sum of \$435,000 and 83,204 shares of the Company.
- By leases dated April 17, 1968 and August 28, 1964 as amended by agreement dated October 23, 1968 A. T. Industrial Developments Limited has leased the premises containing approximately 78,000 square feet occupied by Samteit Store Fixtures and Refrigeration Limited at 124 Norfinch Drive, Downsview to it for a period of 20 years respectively at an annual rental of \$73,750. Sam Teitelbaum is a director and controlling shareholder of A. T. Industrial Developments Limited.

3. Sam Teitelbaum has agreed in the Samteit agreement to cause A.T. Industrial Developments Limited to grant to the Company an option to purchase the leased premises referred to in item 2 hereof for the sum of \$850,000. Such option will be executed and delivered on completion of the purchase of the shares of Samteit Store Fixtures and Refrigeration Limited and will be exercisable within 6 months thereafter.
4. The directors and senior officers of the Company and the persons or companies who own of record or beneficially, directly or indirectly, more than 10% of the shares of the Company other than Sam Teitelbaum have an interest in the underwriting agreement dated April 2, 1969 (see page 14) to the extent indicated in the table under the heading "Principal Holders of Securities".
5. The Company has entered into 3 leases of premises containing in the aggregate approximately 24,000 square feet to Parkdale Steel Warehouse Corporation Limited and Parkdale International Limited with an aggregate monthly rental of \$3,300 two of which leases are for 10 year terms and one of which is on a month to month basis. Mr. Marvin E. Goldblatt is an officer, director and shareholder of these companies.
6. The Company under an agreement terminable by either party at any time obtains administrative, accounting, bookkeeping and other services for its industrial real estate development division and its disposal division from Belfair Acceptance Limited for \$400 a week. Belfair Acceptance Limited is indirectly controlled by trusts for the children of Cecil Levy who is the trustee of the trusts.

### **RESTRICTIONS ON TRANSFERS OF SHARES**

By virtue of the underwriting agreement dated April 2, 1969 (see page 14) the Selling Shareholders granted to F. H. Deacon & Company Limited a first right of refusal upon the sale or other disposal of the shares of the Company beneficially owned by them directly or indirectly at the date of such agreement excluding those agreed to be sold thereunder for a period of 2 years from the date of the issuance by the Ontario Securities Commission of a receipt for the prospectus in final form relating to the shares offered hereby. Such agreement does not prohibit transfers between or among such shareholders or companies controlled by any of them or their heirs, executors or administrators. In addition, Sam Teitelbaum and associates have agreed in the Samteit agreement to grant a similar right of first refusal to F. H. Deacon & Company Limited.

### **AUDITORS**

The auditors of the Company are Wright, Erickson, Lee and Macdonald, 346 Main Street East, Hamilton, Ontario.

### **TRANSFER AGENT AND REGISTRAR**

The Transfer Agent and Registrar for the shares of the Company is The Royal Trust Company at its principal transfer office in Toronto.

The register for the Series A Debentures will be kept by Montreal Trust Company at its principal office in Toronto.

### **LEGAL OPINIONS**

The offering of the shares and the Series A Debentures by this prospectus is subject to the approval of all legal matters on behalf of the Company and the Selling Shareholders by Messrs. Fraser & Beatty, Toronto and on behalf of F. H. Deacon & Company Limited by Messrs. Davies, Ward & Beck, Toronto.

### **PENDING LEGAL PROCEEDINGS**

The Company is appealing to the Exchequer Court of Canada certain assessments for income tax under the Income Tax Act (Canada) for the years 1963, 1964, 1965 and 1966 against International Iron & Metal Co., Limited which had the effect of determining that Burland Realty and Equipment Limited was associated with International Iron & Metal Co., Limited for such years. All tax and interest required to be paid by such assessments have been paid. If the Company is successful in its appeal, approximately \$40,000 would be repayable to the Company.



## MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business the only material contracts entered into by the Company within two years prior to the date of this prospectus are as follows:

1. The underwriting agreement described under "Plan of Distribution" on page 14.
2. The Samteit Agreement between the Company and Sam Teitelbaum, Ned Jackson, Frank G. Morley, Edgar W. Deffet, Frank Szabo and Aafke Jonker described under the heading "Issuance of Shares" on page 8.

Copies of the foregoing contracts may be examined at the head office of the Company during primary distribution of the securities offered hereby and for a period of thirty days thereafter.

An option is to be granted by A.T. Industrial Developments Limited to the Company described under "Interest of Management and Others in Material Transactions" (see page 17), a copy of which when entered into may be examined at the head office of the Company during primary distribution of the securities offered hereby and for a period of thirty days thereafter.

The Trust Indenture to be entered into between the Company and Montreal Trust Company and dated as of April 1, 1969, may be examined, when available, at the head office of the Company and at the principal office of Montreal Trust Company in Toronto during the period of primary distribution of the securities offered hereby and for a period of thirty days thereafter.

**COMPANIES AMALGAMATED TO FORM INTERMETCO LIMITED, AND SUBSIDIARIES**  
**AND**  
**SAMTEIT STORE FIXTURES AND REFRIGERATION LIMITED**

**Pro Forma Statement of Combined Earnings**  
**(unaudited)**

	Six Months Ended October 31, 1968	Year Ended April 30, 1968	Year Ended April 30, 1967	Year Ended April 30, 1966	Year Ended April 30, 1965	Year Ended April 30, 1964
Sales.....	\$12,647,473	\$26,844,249	\$29,684,474	\$33,757,884	\$39,943,475	\$31,597,906
Rental income.....	160,990	314,125	288,011	221,960	151,174	130,385
Total sales and rental income..	12,808,463	27,158,374	29,972,485	33,979,844	40,094,649	31,728,291
Cost of sales and operating expenses other than depreciation, interest on long-term debt, and remuneration of directors and senior officers..	11,645,838	25,212,671	28,463,192	32,375,773	38,253,169	30,028,729
Profit before depreciation, interest on long-term debt, remuneration of directors and senior officers, income from investments and income taxes..	1,162,625	1,945,703	1,509,293	1,604,071	1,841,480	1,699,562
Depreciation.....	256,459	519,789	511,644	454,644	422,416	317,478
Interest on long-term debt	80,411	174,544	167,699	134,789	122,338	111,908
Remuneration of directors and senior officers.....	116,026	250,568	218,441	307,702	320,397	250,489
	452,896	944,901	897,784	897,135	865,151	679,875
Net operating profit before income from investments.....	709,729	1,000,802	611,509	706,936	976,329	1,019,687
Income from investments	17,657	39,876	35,504	37,009	33,843	36,313
Net earnings before income taxes.....	727,386	1,040,678	647,013	743,945	1,010,172	1,056,000
Income taxes.....	395,334	556,756	332,127	388,724	594,354	603,752
Net earnings.....	\$ 332,052	\$ 483,922	\$ 314,886	\$ 355,221	\$ 415,818	\$ 452,248

**NOTE:**

1. The above statement includes operating results of certain companies whose fiscal years did not end on April 30, including Samteit Store Fixtures and Refrigeration Limited, the fiscal year of which ends on September 30. The earnings of those companies have been allocated in the above statement to the fiscal periods ending April 30, 1964 to October 31, 1968 on a pro rata monthly basis; the combined earnings for the six months ended October 31, 1968 include the earnings of Samteit Store Fixtures and Refrigeration Limited on the aforesaid pro rata basis for the five months ended September 30, 1968 only.

2. Remuneration of directors and senior officers in the above statement includes only the remuneration of those individuals employed by the companies who are expected to be directors and senior officers of Intermetco Limited and subsidiary companies on completion of the proposed financing.

3. The above statement is subject to and must be read in conjunction with the notes to the statements of combined earnings and combined retained earnings of the companies amalgamated to form Intermetco Limited (see page 23) and the notes to the financial statements of Samteit Store Fixtures and Refrigeration Limited for the year ended September 30, 1968 (see page 29).



**Companies Amalgamated to Form  
INTERMETCO LIMITED (Note 1)  
Statement of Combined Earnings (Note 2)**

	Six Months Ended October 31, 1968	Year Ended April 30, 1968	Year Ended April 30, 1967	Year Ended April 30, 1966	Year Ended April 30, 1965	Year Ended April 30, 1964
Sales.....	\$11,850,858	\$25,183,729	\$28,476,453	\$32,861,209	\$39,349,253	\$31,163,068
Rental income.....	160,990	314,125	288,011	221,960	151,174	130,385
Total sales and rental income..	12,011,848	25,497,854	28,764,464	33,083,169	39,500,427	31,293,453
Cost of sales and operating expenses other than depreciation, interest on long-term debt, and remuneration of directors and senior officers	10,999,860	23,808,638	27,364,654	31,567,810	37,712,928	29,639,748
Profit before depreciation, interest on long-term debt, remuneration of directors and senior officers, income from investments and income taxes	1,011,988	1,689,216	1,399,810	1,515,359	1,787,499	1,653,705
Depreciation (Note 3).....	251,944	509,887	503,071	447,049	416,732	312,540
Interest on long-term debt (Note 4).....	78,831	170,380	162,965	131,990	122,338	111,908
Remuneration of directors and senior officers (Note 5).....	106,541	231,165	203,735	293,849	309,700	242,127
	437,316	911,432	869,771	872,888	848,770	666,575
Net operating profit before income from investments.....	574,672	777,784	530,039	642,471	938,729	987,130
Income from investments (Note 6).....	17,657	39,876	35,504	37,009	33,843	36,313
Net earnings before income taxes.....	592,329	817,660	565,543	679,480	972,572	1,023,443
Income taxes.....	321,459	435,353	289,301	355,171	574,703	586,744
Net earnings.....	\$ 270,870	\$ 382,307	\$ 276,242	\$ 324,309	\$ 397,869	\$ 436,699

**AUDITORS' REPORT**

**On Statement of Combined Earnings and Combined Retained Earnings**

To the Directors of  
INTERMETCO LIMITED:

We have examined the accompanying statements of combined earnings and of combined retained earnings of the companies amalgamated to form Intermetco Limited and their subsidiaries for the five years ended April 30, 1968 and the six months ended October 31, 1968. With regard to those of the companies referred to above of which we are the auditors, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With regard to those of the companies referred to above of which we are not the auditors, we have relied on the reports of the auditors who examined the financial statements of those companies.

In our opinion these statements present fairly the combined results of operations of the companies for the five years ended April 30, 1968 and for the six months ended October 31, 1968, in accordance with generally accepted accounting principles applied on a consistent basis except as referred to in Note 3.

Hamilton, Ontario,  
January 23, 1969.

(Signed) WRIGHT, ERICKSON, LEE & MACDONALD  
Chartered Accountants.

**COMPANIES AMALGAMATED TO FORM INTERMETCO LIMITED (Note 1)**

**Statement of Combined Retained Earnings (Note 2)**

	Six Months Ended October 31, 1968	Year Ended April 30, 1968	Year Ended April 30, 1967	Year Ended April 30, 1966	Year Ended April 30, 1965	Year Ended April 30, 1964
Balance, beginning of period . . . . .	\$2,989,557	\$2,609,798	\$2,617,695	\$2,230,533	\$1,727,544	\$1,074,659
<i>Add:</i>						
Net income . . . . .	270,870	382,307	276,242	324,309	397,869	436,699
Profit (loss) on sale of marketable securities . . . . .	(190,402)	—	3,603	74,433	97,696	142,970
Profit (loss) on disposal of fixed assets . . . . .	725	986	752	(11,135)	7,574	73,216
Proceeds of damages claim arising from expropriation . . . . .	—	—	11,516	—	—	—
	<u>3,070,750</u>	<u>2,993,091</u>	<u>2,909,808</u>	<u>2,618,140</u>	<u>2,230,683</u>	<u>1,727,544</u>
<i>Deduct:</i>						
Organization expense written off . .	812	3,534	—	445	150	—
Goodwill written off . . . . .	3,188,576	—	—	—	—	—
Loss on disposal of 50% interest in St. Lawrence Iron & Metal Incorporated . . . . .	—	—	300,010	—	—	—
Provision for deferred income taxes, applicable to excess of appraised market values of buildings appraised as at July 1, 1968 over their depreciated cost . . . . .	127,206	—	—	—	—	—
Loss on capital reduction and sale of shares in subsidiary companies	75,500	—	—	—	—	—
	<u>3,392,094</u>	<u>3,534</u>	<u>300,010</u>	<u>445</u>	<u>150</u>	<u>—</u>
Balance, end of period . . . . .	<u>(\$ 321,344)</u>	<u>\$2,989,557</u>	<u>\$2,609,798</u>	<u>\$2,617,695</u>	<u>\$2,230,533</u>	<u>\$1,727,544</u>



# COMPANIES AMALGAMATED TO FORM INTERMETCO LIMITED

## Notes to Statement of Combined Earnings and Statement of Combined Retained Earnings

1. The companies amalgamated to form Intermetco Limited on November 1, 1968 were:

International Iron & Metal Co., Limited  
International Machinery Company Limited  
Marvin Investors Limited  
Vincent Metal Industries Limited  
Weld-O-Matic Machines Limited  
Burland Realty and Equipment Limited  
Industrial Disposal (Oshawa) Limited  
International Iron Processors Limited  
International Secondary Materials Limited  
Industrial Disposal Limited

The statements of combined earnings and combined retained earnings include the operating results of the following wholly-owned subsidiaries of certain of these companies:

Cappco Pipe Piling Limited  
Iron & Metal Incorporated  
Compressed Metals Limited  
International Machinery (Quebec) Limited  
International Iron & Metal Co. (Quebec) Limited

2. The statements of combined earnings and combined retained earnings include operating results of certain companies whose fiscal years did not end on April 30. The operating results of those companies have been allocated in the statements of combined earnings and combined retained earnings to the fiscal periods ending April 30, 1964 to October 31, 1968 on a pro rata monthly basis.

3. DEPRECIATION:

Depreciation of \$37,158 for the period from July 1, 1968 to October 31, 1968 on buildings having an appraised market value of \$2,414,489 at July 1, 1968 has been calculated on the appraised values at straight-line rates recommended by the appraiser and varying from 3.33% to 6.67% per annum, depending on the estimated useful life of each building. On an annual basis, depreciation on the appraised values will amount to \$111,474, as compared to annual depreciation of \$64,022 written on the cost values of the affected buildings prior to July 1, 1968 and reflected in the statement of combined earnings for preceding fiscal periods.

Compressed Metals Limited, a subsidiary of Marvin Investors Limited (one of the amalgamating companies) followed during the period covered by the accompanying statement of combined earnings a general policy of charging depreciation to operations at the maximum amounts allowable for income tax purposes. However, for its fiscal years ended December 31, 1963 and December 31, 1965 it recorded depreciation in amounts less than such maximums. If these reductions had not been made, combined earnings would have been lower than as shown, by the following amounts:

Year Ended April 30, 1964	Year Ended April 30, 1965	Year Ended April 30, 1966
<u>\$26,857</u>	<u>\$27,063</u>	<u>\$54,125</u>

4. INTEREST ON LONG-TERM DEBT:

It is expected that annual interest charges in future years will increase for the reasons and by the approximate amounts indicated hereunder:

The consolidation of certain mortgage loans as at December 15, 1968 (Note 5 to the consolidated balance sheet and pro forma consolidated balance sheet).....	13,000
The issue of \$1,500,000 in 7½% Convertible Sinking Fund Debentures Series A, less repayment of \$1,406,000 of bank advances.....	<u>10,500</u>
	<u>\$23,500</u>

5. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS:

The statement of combined earnings reflects under this heading only the remuneration of those individuals employed by the amalgamating companies who are expected to be directors and senior officers of Intermetco Limited and subsidiary companies.

6. INCOME FROM INVESTMENTS:

Prior to October 31, 1968, almost all of the companies' investment portfolios were sold. Consequently, investment income will be negligible in future fiscal periods.

**INTERMETCO LIMITED**  
(Continued under the laws of Ontario)  
**and subsidiary companies**

**Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet**

**As at November 1, 1968**

	<b>ASSETS</b>	Balance Sheet	Pro Forma Balance Sheet (Note 1)
<b>CURRENT:</b>			
Cash .....		263,147	274,344
Marketable securities at cost (approximate market value—\$25,710) .....		27,866	27,866
Accounts receivable .....		4,158,270	4,400,421
Inventories at lower of cost or net realizable value .....		1,129,658	1,476,219
Prepaid expenses .....		85,546	92,639
Total current assets .....		<u>5,664,487</u>	<u>6,271,489</u>
<b>DEFERRED:</b>			
Accounts, notes, and mortgage loan receivable .....		62,643	62,643
Cash surrender value of life insurance .....		46,726	46,726
Special refundable tax .....		15,000	15,000
Interest in joint venture, at cost .....		41,834	41,834
		<u>166,203</u>	<u>166,203</u>
<b>FIXED (Note 2):</b>			
Land .....		928,822	928,822
Buildings, machinery and equipment, vehicles, leasehold improvements, roadways, and fences, less accumulated depreciation .....		4,342,806	4,381,687
Equipment under construction, at cost .....		—	46,506
		<u>5,271,628</u>	<u>5,357,015</u>
<b>OTHER:</b>			
Organization and preliminary expenses .....		15,000	15,000
Financing costs .....		—	180,000
Excess of cost of subsidiaries over the net book value of their assets at time of acquisition .....		91,628	1,335,569
		<u>106,628</u>	<u>1,530,569</u>
		<u><u>\$11,208,946</u></u>	<u><u>\$13,325,276</u></u>

APPROVED ON BEHALF OF THE BOARD:

(Signed) M. E. GOLDBLATT, *Director*

(Signed) CECIL LEVY, *Director*



**INTERMETCO LIMITED**  
(Continued under the laws of Ontario)  
**and subsidiary companies**

**Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet**  
**As at November 1, 1968**

	Balance Sheet	Pro Forma Balance Sheet (Note 1)
<b>CURRENT:</b>		
Bank advances (Note 3) .....	2,469,481	1,063,481
Accounts payable and accrued liabilities .....	3,207,823	3,388,002
Income and other taxes payable .....	223,481	391,847
Current portion of long-term debt .....	50,828	62,828
Total current liabilities .....	<u>5,951,613</u>	<u>4,906,158</u>
<b>DEFERRED:</b>		
Deferred income taxes .....	<u>535,302</u>	<u>540,102</u>
<b>LONG TERM DEBT:</b>		
7½% loan payable (Note 4) .....		32,000
Mortgages payable (Note 5) .....	1,680,109	1,680,109
Shareholders' loans payable .....	420,608	
Other loans payable .....	25,000	25,000
7½% Convertible Sinking Fund Debentures Series A payable (Note 1) .....		1,500,000
	<u>2,125,717</u>	<u>3,237,109</u>
<b>TOTAL LIABILITIES .....</b>	<u>8,612,632</u>	<u>8,683,369</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK:</b>		
Authorized:		
2,000,000 shares without par value (pro forma—		
3,000,000 shares without par value).		
Issued:		
Balance sheet—829,232 shares .....	1,914,093	
Pro forma balance sheet—1,408,466 shares (Note 8) .....		3,959,686
Contributed surplus (Note 9) .....	51,035	51,035
Retained earnings .....	\$2,868,044	
Less intangible assets written off .....	(321,344)	(321,344)
Excess of appraised values of land, buildings and equipment over depreciated cost (Note 2) .....	952,530	952,530
	<u>2,596,314</u>	<u>4,641,907</u>
	<u>\$11,208,946</u>	<u>\$13,325,276</u>

**AUDITORS' REPORT**

**on Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet**

To the Directors of  
INTERMETCO LIMITED:

We have examined the consolidated balance sheet and pro forma consolidated balance sheet of Intermetco Limited and subsidiary companies as at November 1, 1968. Our examination, so far as it applied to Intermetco Limited and the subsidiary of which we are the auditors, included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances, subject to the fact that, in making such examination, we have relied on the reports of other auditors who have examined the financial statements of three companies that were parties to the amalgamation agreement creating Intermetco Limited for their fiscal periods ended October 31, 1968. We have also relied on the reports of other auditors who have examined the financial statements of Samteit Store Fixtures and Refrigeration Limited for its fiscal year ended September 30, 1968 and the financial statements of those subsidiaries of which we are not the auditors, for their fiscal periods ended October 31, 1968.

In our opinion:

(a) the accompanying consolidated balance sheet presents fairly the financial position of the companies as at November 1, 1968; and

(b) the accompanying pro forma consolidated balance sheet presents fairly the financial position of the companies as at November 1, 1968 after giving effect to the changes set forth in Note 1;  
all in accordance with generally accepted accounting principles applied on a consistent basis except as referred to in Note 2.

Hamilton, Ontario,  
January 23, 1969.

(Signed) WRIGHT, ERICKSON, LEE & MACDONALD  
Chartered Accountants.

# INTERMETCO LIMITED

## Notes to the Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet

As At November 1, 1968

### 1. PRO FORMA BALANCE SHEET:

The pro forma balance sheet gives effect to:

- (a) The issue to the Company of supplementary letters patent dated January 22, 1969 sub-dividing the presently issued 829,232 shares without par value into 1,036,540 issued shares without par value, and the presently unissued 1,170,768 shares without par value into 1,963,460 unissued shares without par value.
- (b) The issue of 76,471 shares of the capital stock of the Company at \$5.50 each and the payment of \$17 cash, to retire shareholders' loans of \$420,608.
- (c) The issue of \$1,500,000 principal amount 7½% Convertible Sinking Fund Debentures Series A ("Series A Debentures") of the Company to be dated May 1, 1969 and the payment of the underwriter's commission of \$60,000 thereon. Other particulars are as follows:
  - (i) the Series A Debentures are to be secured by a first floating charge on the undertaking and all property and assets of Intermetco Limited, subject to the prior security of other indebtedness including mortgages and bank borrowings;
  - (ii) the Series A Debentures are to be redeemable on not less than thirty days' notice at 107% of the principal amount redeemed if redeemed on or before May 1, 1970 and reducing ½ of 1% in each year commenced or elapsed thereafter;
  - (iii) the Series A Debentures are to be convertible at the holder's option at any time prior to the close of business on April 28, 1984 or on the third business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable shares without par value of Intermetco Limited, on the following bases:

If converted on or before	Number of shares per \$1,000 principal amount of debentures	Approximate conversion price per share
April 28, 1974	135	\$ 7.41
April 28, 1984	100	10.00

- (iv) under the provisions of the Trust Indenture securing the Series A Debentures the Company will be required to establish a sinking fund to provide for the retirement of \$150,000 principal amount of Series A Debentures on May 1 in each of the years 1975 to 1983 inclusive; the balance of \$150,000 principal amount is due at maturity on May 1, 1984;
- (v) the Trust Indenture will provide that, so long as any of the Series A Debentures remain outstanding, the Company will not make any distribution to shareholders by way of dividends or redemption or purchase of its shares, or elect to pay any tax on undistributed income, unless immediately after giving effect to such action the aggregate amount of such distribution and tax will not exceed the aggregate of (a) the consolidated net earnings available for dividends of the Company and its subsidiaries subsequent to October 31 1968, (b) the net cash proceeds to the Company of the issue after June 1, 1969 of any of its shares (other than shares issued upon the conversion of Series A Debentures) and (c) \$100,000.
- (d) The issue of 152,000 shares of the capital stock of the Company at \$5.50 each, pursuant to an underwriting agreement dated April 2, 1969 and the payment of underwriter's commission of \$76,000 thereon.
- (e) The purchase of all the outstanding shares of Samteit Store Fixtures and Refrigeration Limited, carrying on business under the name of General Refrigeration of Canada, for a total consideration of \$1,539,002 made up of \$750,000 cash and the allotment and issuance of 143,455 fully paid and non-assessable shares of the Company, pursuant to an agreement dated February 21, 1969 between the Company and the shareholders of Samteit Store Fixtures and Refrigeration Limited.
- (f) The inclusion of the assets and liabilities of Samteit Store Fixtures and Refrigeration Limited as of September 30, 1968 (the end of its fiscal year).
- (g) The payment of estimated financing costs of \$44,000.
- (h) The repayment by the Company of bank advances of \$1,406,000.

### 2. FIXED ASSETS:

Fixed assets are made up as follows:

#### Land:

	Cost or Appraised Value	Accumulated Depreciation	Net Depreciated Value
At appraised market values determined by Albert A. Takefman as of July 1, 1968.....	750,529*		
At appraised depreciated replacement values determined by Cooper Appraisals Limited as of December 2, 1954.....	70,362*		
At cost.....	107,931		
	<u>\$ 928,822</u>		



Buildings, at appraised market values determined by Albert A. Takefman as of July 1, 1968.....	2,414,489*	37,158	2,377,331
Other buildings, machinery and equipment, vehicles, leasehold improvements, roadways, and fences, at cost except for a minor portion at appraised depreciated replacement values determined by Cooper Appraisals Limited as of December 2, 1954.....	4,463,899*	2,498,424	1,965,475
Total fixed assets (other than land) per balance sheet.....	6,878,388	2,535,582	4,342,806
Vehicles, machinery and equipment of subsidiary, at cost, included in pro forma balance sheet.....	127,989**	42,602	85,387
Total fixed assets (other than land) per pro forma balance sheet.....	\$7,006,377	\$2,578,184	\$4,428,193

\*Excess of appraised values of land, buildings and equipment over depreciated cost:

Appraisal of July 1, 1968:			
Land.....		579,060	
Buildings.....		238,169	817,229
Appraisal of December 2, 1954:			
Land, buildings and equipment.....			135,301
			<u>\$952,530</u>

\*\*Including equipment under construction, \$46,506.

NOTE:

Depreciation on certain fixed assets of a subsidiary, Compressed Metals Limited, was not written on a consistent basis for that Company's fiscal years ended December 31, 1963 and December 31, 1965. If depreciation had been written on a consistent basis, accumulated depreciation at October 31, 1968 would have been increased by \$108,045.

3. BANK ADVANCES:

Bank advances are secured by a general assignment of book debts.

4. 7½% LOAN PAYABLE:

Machinery, equipment and vehicles have been pledged as security for this loan, which matures May 23, 1972 and is repayable at the rate of \$12,000 annually.

5. MORTGAGES PAYABLE:

Fifteen mortgage loans with average interest rate of 7.91% were outstanding at November 1, 1968. As at December 15, 1968 twelve of the loans were consolidated into one loan of \$1,613,682 bearing interest at a rate of 8.6875% compounded semi-annually, with a five-year term, repayable at the rate of \$15,170 monthly, based on an amortization term of 17 years.

Particulars of the other three mortgage loans are as follows:

Principal Outstanding	Interest Rate	Repayment Terms	Maturity Date
\$42,500	6.75%	\$625 principal quarterly, plus interest	May 1, 1973
\$37,200	6.75%	\$600 principal quarterly, plus interest	July 1, 1975
\$25,171	7.00%	\$638 quarterly, blended principal and interest	June 28, 1985

6. PENSION PLAN—PAST SERVICE COSTS:

Under the provisions of the Company's non-contributory pension plan for its unionized employees, the amount of past service costs remaining to be charged to future operations was \$36,227 at November 1, 1968. The annual instalment by which this liability is being discharged has been determined actuarially at \$3,025.

7. COMMITMENTS AND CONTINGENT LIABILITIES:

(a) Obligations under long-term leases:

The Company and its subsidiaries are obligated under certain leases to pay aggregate minimum annual rentals as follows:

	Balance Sheet	Pro Forma Balance Sheet
1968-1984.....	\$ 1,650	\$ 75,400
1985-1986.....	\$ 1,650	\$ 40,150
1987-1988.....		\$ 38,500
(b) Contractual commitment for construction of building.....	\$119,307	\$119,307
(c) Business paper under discount.....	\$138,576	\$266,769
(d) Contingent liabilities as guarantor.....	\$ 81,895	\$306,895
(e) Letters of credit outstanding.....	\$ 6,597	\$ 6,597

8. OPTIONS:

The Company has granted by option agreements dated February 14, 1969 irrevocable options to certain employees of the Company to purchase from time to time up to but not later than March 15, 1974 in the aggregate 24,000 shares of the Company at \$5.50 per share.

9. CONTRIBUTED SURPLUS:

Contributed surplus results from the cancellation of capital stock in the following companies, as provided in the letters patent of amalgamation dated November 1, 1968:

International Iron Processors Limited.....	\$ 996
Industrial Disposal Limited.....	43
Marvin Investors Limited.....	49,996
	<u>\$51,035</u>

# SAMTEIT STORE FIXTURES AND REFRIGERATION LIMITED

Balance Sheet as at September 30, 1968

## ASSETS

	1968	1967
CURRENT ASSETS	\$	\$
Cash . . . . .	11,214	14,801
Accounts receivable . . . . .	132,979	135,664
Due from affiliated company . . . . .	109,172	—
Inventories—at the lower of cost or net realizable value (note 1) . . . . .	346,561	259,690
Prepaid expenses . . . . .	7,093	4,925
	<u>607,019</u>	<u>415,080</u>
FIXED ASSETS		
Vehicles, machinery and equipment, equipment under construction—at cost less accumulated depreciation (notes 2 and 3) . . . . .	85,387	34,324
OTHER ASSETS		
Organization expense . . . . .	—	397
	<u>\$692,406</u>	<u>\$449,801</u>

## LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities . . . . .	180,179	140,302
Advances from affiliated company . . . . .	—	6,847
Income and other taxes payable . . . . .	168,366	40,866
Current portion of long-term debt . . . . .	12,000	12,000
	<u>360,545</u>	<u>200,015</u>
LONG-TERM DEBT		
Due to a shareholder . . . . .	—	17,665
7½% loan payable (notes 2 and 4) . . . . .	44,000	56,000
	44,000	73,665
Less: Current portion . . . . .	12,000	12,000
	<u>32,000</u>	<u>61,665</u>
DEFERRED INCOME TAXES (note 6) . . . . .	<u>4,800</u>	<u>—</u>

## SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized—		
3,200 6% non-cumulative preferred class A shares of \$10 each		
4,000 non-cumulative preferred class B shares without nominal or par value		
4,000 common shares without nominal or par value		
Issued and fully paid—		
2,000 common shares . . . . .	2,000	2,000
RETAINED EARNINGS . . . . .	293,061	186,121
	<u>295,061</u>	<u>188,121</u>
	<u>\$692,406</u>	<u>\$449,801</u>

APPROVED ON BEHALF OF THE BOARD

(Signed) S. TEITELBAUM, *Director*

(Signed) AAFKE JONKER, *Director*



# SAMTEIT STORE FIXTURES AND REFRIGERATION LIMITED

## Notes to Financial Statements

for the Year Ended September 30, 1968

1. INVENTORIES:

Inventories are classified as follows:

	1968	1967
	\$	\$
Finished goods.....	129,427	127,179
Work in process.....	135,096	80,394
Raw materials.....	82,038	52,117
	<u>346,561</u>	<u>259,690</u>

2. SECURITY FOR LOAN:

Machinery, equipment and vehicles have been pledged as security for the long-term loan.

3. FIXED ASSETS:

Vehicles, machinery and equipment, equipment under construction and related accumulated depreciation are classified as follows:

	1968		
	Cost	Accumulated depreciation	Net
	\$	\$	\$
Vehicles.....	10,540	4,295	6,245
Machinery and equipment.....	70,943	38,307	32,636
Equipment under construction.....	46,506	—	46,506
	<u>127,989</u>	<u>42,602</u>	<u>85,387</u>

4. 7½% LOAN PAYABLE:

The 7½% loan payable, due May 23, 1972, is repayable at the rate of \$12,000 annually.

5. COMMITMENTS AND CONTINGENT LIABILITIES:

(a) The company has guaranteed bank loans and a mortgage of an affiliated company which amounted to \$225,000 as at September 30, 1968.

(b) At September 30, 1968 the company was contingently liable for notes under discount of \$128,193.

(c) At September 30, 1968 the company was obligated under long-term leases to pay an aggregate minimum annual rental as follows:

1968-1984.....	\$73,750
1985-1988.....	38,500

6. DEFERRED INCOME TAXES:

Income taxes payable in respect of the year have been reduced by claiming depreciation for tax purposes in excess of that recorded in the accounts. This reduction amounting to \$4,800 for the year, is applicable to those future periods in which the amounts claimed for tax purposes may be less than the depreciation recorded in the accounts and accordingly, is included in the balance sheet as "deferred income taxes".

7. 1967 COMPARATIVE FINANCIAL STATEMENTS:

The comparative figures for 1967 have been adjusted to take into account the reclassification of assets and liabilities which have been made during the current fiscal year.

The comparative figures for 1967 have been reported on by the previous auditor of the company.

# SAMTEIT STORE FIXTURES AND REFRIGERATION LIMITED

(Trading under the name of General Refrigeration of Canada)

## STATEMENTS OF EARNINGS AND RETAINED EARNINGS

	Year Ended September 30, 1968	Year Ended September 30, 1967	Year Ended September 30, 1966	Year Ended September 30, 1965	Year Ended September 30, 1964	Year Ended September 30, 1963
Sales.....	\$1,911,875	\$1,308,624	\$1,067,176	\$ 657,974	\$ 504,970	\$ 336,653
Cost of sales and operating expenses other than depreciation, interest on long-term debt, and remuneration of directors and senior officers as noted.....	1,487,987	1,149,421	909,099	562,712	426,024	258,054
Earnings before depreciation, interest on long-term debt and remuneration of directors and senior officers.....	<u>423,888</u>	<u>159,203</u>	<u>158,077</u>	<u>95,262</u>	<u>78,946</u>	<u>78,599</u>
Depreciation.....	10,836	8,594	8,543	6,269	4,864	5,043
Interest on long-term debt.....	3,791	4,687	4,799	—	—	—
Remuneration of directors and senior officers.....	<u>85,124</u>	<u>64,470</u>	<u>63,241</u>	<u>48,369</u>	<u>40,713</u>	<u>42,137</u>
Net income before income taxes..	324,137	81,452	81,494	40,624	33,369	31,419
Income taxes (Note 6).....	166,800	32,997	32,227	11,049	7,808	7,226
Net earnings.....	<u>\$ 157,337</u>	<u>\$ 48,455</u>	<u>\$ 49,267</u>	<u>\$ 29,575</u>	<u>\$ 25,561</u>	<u>\$ 24,193</u>
Retained earnings at beginning of period.....	186,121	137,666	88,399	58,824	33,263	9,070
Net earnings.....	<u>157,337</u>	<u>48,455</u>	<u>49,267</u>	<u>29,575</u>	<u>25,561</u>	<u>24,193</u>
	<u>343,458</u>	<u>186,121</u>	<u>137,666</u>	<u>88,399</u>	<u>58,824</u>	<u>33,263</u>
Deduct:						
Dividend—common shares...	50,000	—	—	—	—	—
Organization expense written off.....	<u>397</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>50,397</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Retained earnings at end of period.....	<u>\$ 293,061</u>	<u>\$ 186,121</u>	<u>\$ 137,666</u>	<u>\$ 88,399</u>	<u>\$ 58,824</u>	<u>\$ 33,263</u>



## AUDITORS' REPORTS

To the Shareholders,  
SAMTEIT STORE FIXTURES AND REFRIGERATION LIMITED:

We have examined the balance sheet of Samteit Store Fixtures and Refrigeration Limited as at September 30, 1968, and the statements of earnings and retained earnings for the year then ended. We made a general review of accounting procedures. Because this was the first year of our appointment as auditors, we were unable to attend at stocktaking at September 30, 1967 and we have therefore been unable to form an opinion of the fairness of the inventory figure at that or previous year ends. Except for this, our examination included such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet of Samteit Store Fixtures and Refrigeration Limited presents fairly the financial position of the company as at September 30, 1968 and, subject to the accuracy of the opening inventory, the accompanying statements of earnings and retained earnings present fairly the results of its operations for the year then ended, in accordance with generally accepted accounting principles. Because we were not the auditors in the preceding year, we are unable to state that these principles were applied on a consistent basis.

Toronto, Ontario,  
November 22, 1968.

(Signed) McDONALD, CURRIE & CO.  
*Chartered Accountants.*

To the Directors of  
INTERMETCO LIMITED:

I have examined the balance sheet of Samteit Store Fixtures and Refrigeration Limited (trading under the name of General Refrigeration of Canada) as at September 30, 1967 and the statements of earnings and retained earnings for the years ended September 30, 1965, September 30, 1966 and September 30, 1967. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances, except that I was unable to be present when inventory was taken at September 30, 1964, since I was not the auditor of the company at that time. However, my examination did not disclose any matters which in my opinion would affect the fairness of the presentation of such statements of earnings and retained earnings.

In my opinion the accompanying balance sheet of Samteit Store Fixtures and Refrigeration Limited as at September 30, 1967 presents fairly the financial position of the company as at such date and, subject to the accuracy of the inventory at September 30, 1964, the accompanying statements of earnings and retained earnings for the years ended September 30, 1965, September 30, 1966 and September 30, 1967 present fairly the results of its operations for the three years then ended in accordance with generally accepted accounting principles. Because I was not the auditor prior to the year ended September 30, 1965 I am unable to state that these principles were applied on a consistent basis.

Toronto, Ontario,  
January 23, 1969.

(Signed) HARRY TEMPLE  
*Chartered Accountant.*

To the Directors  
INTERMETCO LIMITED:

I have examined the statements of earnings and retained earnings of Samteit Store Fixtures and Refrigeration Limited (trading under the name of General Refrigeration of Canada) for the years ended September 30, 1963 and September 30, 1964. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances, except as hereunder noted.

Because in accordance with the terms of engagement I was not present when inventory was taken at the beginning and end of each of the above-noted fiscal years, and did not confirm accounts receivable at the beginning and end of the fiscal year ended September 30, 1963 by direct communication with the respective debtors, I cannot express an opinion on the accompanying statements of earnings and retained earnings.

The statements of earnings and retained earnings have, however, been prepared in accordance with generally accepted accounting principles applied on a consistent basis for both years.

Toronto, Ontario,  
January 24, 1969.

(Signed) CYRIL H. ROSENTHAL  
*Chartered Accountant.*

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

The Securities Act, 1966 (Ontario) confers on a purchaser of the securities offered hereby in certain circumstances:

- (a) the right to withdraw from the contract to purchase such security if written or telegraphic notice evidencing the intention of the purchaser not to be bound by such contract is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received or deemed to have been received by the purchaser or his agent;
- (b) the right to rescind the contract to purchase such security by commencing an action within ninety days from the date of such contract or the date on which the prospectus or amended prospectus is received or deemed to be received by the purchaser or his agent, whichever is later, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made.

Reference is made to Sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

### **Certificate of the Company**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

Dated: April 14, 1969

(Signed) M. E. GOLDBLATT  
CHIEF EXECUTIVE OFFICER

(Signed) CECIL LEVY  
CHIEF FINANCIAL OFFICER

### *Board of Directors*

(Signed) FRANK GOLDBLATT

GEORGE GOLDBLATT

(Signed) M. B. GOLDBLATT

per: (Signed) M. E. GOLDBLATT  
as attorney

(Signed) REUBEN LEVY

(Signed) S. TEITELBAUM

(Signed) M. Z. MANDELL

### **Certificate of the Underwriter**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

F. H. DEACON & COMPANY LIMITED

Per: (Signed) M. Z. MANDELL

The following list includes the names of all persons having an interest either directly or indirectly to the extent of not less than 5% of the capital of F. H. Deacon & Company Limited: F. C. Deacon, John S. Deacon, Donald M. Deacon, Robert D. Telfer, John W. Hetherington, John C. Moorhouse, Harold J. Knight, U. Brunck, Earle B. Hawkins and M. Z. Mandell.



11. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the shares of the Company is The Royal Trust Company at its principle transfer office in Toronto.

12. TRANSFER FEE

No fee is charged on stock transfers other than customary stock transfer taxes.

13. AUDITORS

The auditors of the Company are Messrs. Wright, Erickson, Lee & MacDonald, 346 Main Street East, Hamilton, Ontario.

14. DIRECTORS AND OFFICERS

See page 14 of the attached Prospectus.

15. CERTIFICATE

Pursuant to a resolution passed by the board of directors the Company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



INTERMETCO LIMITED  
By "M. E. GOLDBLATT",  
Managing Director  
By "CECIL LEVY",  
Secretary

DISTRIBUTION OF COMMON N.P.V. STOCK AS OF MAY 30, 1969

Number								Shares
4	Holders of	1 —	24	share	lots	.....		30
97	" "	25 —	99	" "	.....			4,500
132	" "	100 —	199	" "	.....			13,600
61	" "	200 —	299	" "	.....			12,400
21	" "	300 —	399	" "	.....			6,400
6	" "	400 —	499	" "	.....			2,450
26	" "	500 —	999	" "	.....			14,325
38	" "	1000 —	up	" "	.....			1,355,061
385	Shareholders					Total shares		1,408,766





FROM:

Intermetco Limited  
73 Robert Street  
Hamilton, Ontario

FOR FURTHER INFORMATION:

John Garner  
Petlock, Ruder & Finn Limited  
Suite 810, 21 Dundas Square  
Toronto 205, Ontario  
Telephone: (416) 363-5848

*file*  
INTERMETCO LIMITED SEES EARNINGS LEVEL  
MAINTAINED DESPITE ECONOMIC UNCERTAINTIES

Intermetco Limited of Hamilton told its annual meeting of shareholders today that the group should experience a brisk volume of activity in the first half of 1970. Marvin Goldblatt, managing director, added however, that because of restraints on business growth imposed by Government anti-inflation policies "we can expect some softening during the last half."

As recently reported, Intermetco earnings for the three months ended January 31 were \$180,663 on sales of \$6.6 million. Earnings per common share were 13 cents.

Shareholders were told that business in the Secondary Metals division, the company's main endeavor, was particularly strong at the moment. Mr. Goldblatt said the firm is looking forward to a return to more normal levels from the present period of "unhealthy high prices." He explained that company profits are more closely related to the volume handled than to price.

FOR FURTHER INFORMATION:

FROM:

John Garner  
Fastlock, Ruben & Fina Limited  
Suite 810, 21 Dundas Square  
Toronto 208, Ontario  
Telephone: (416) 363-5848

Intermetco Limited  
73 Robert Street  
Hamilton, Ontario

INTERMETCO LIMITED SEES EARNINGS REBOUND

MAINTAINED DESPITE ECONOMIC UNCERTAINTIES

Intermetco Limited of Hamilton told its annual meeting of shareholders today that the group should experience a brisk volume of activity in the first half of 1970. Marvin Goldblatt, managing director, added however, that because of restraints on business growth imposed by Government anti-inflation policies "we can expect some softening during the last half." As recently reported, Intermetco earnings for the three months ended January 31 were \$180,663 on sales of \$6.6 million. Earnings per common share were

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The recently installed 'Intron' equipment is operating and living up to expectations, the company said. This machine shreds complete auto bodies into clean metal chunks in less than one minute.

Intermetco Limited is a diversified company with five operating divisions in addition to its original activity in the brokerage and processing of ferrous and non-ferrous secondary metals. These divisions are engaged in industrial real estate development, the wholesaling of industrial machinery, distribution of steel pipe, disposal of industrial refuse and the manufacture of store fixtures, refrigeration equipment and travel trailers.

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